



Application Serial No.: 09/988,136
Reply to Office Action dated July 31, 2006

REMARKS/ARGUMENTS

Favorable reconsideration of this application as presently amended and in light of the following remarks is respectfully requested.

Claims 18 and 20 are presently active in this case and have been amended without the introduction of new matter to more accurately reflect the invention as described relative to the showing of FIG. 1, and element 12 disclosed as being a “man-hour” estimating section that was inadvertently given the same name as “cost” estimating section 13 in the specification paragraphs corrected by the present amendment. Claims 1-8, 15-17, and 19 were previously canceled and Claims 9-14 are presently canceled without prejudice or disclaimer.

In the outstanding Official Action, Claims 18 and 20 were rejected under the second paragraph of 35 U.S.C. § 112, Claims 18 and 20 were rejected under 35 U.S.C. § 101 as allegedly being directed to non-statutory subject matter, and Claims 18 and 20 were rejected under 35 U.S.C. § 102(b) as being anticipated by Suzuki et al. (U.S. Published Patent Application No.2001/0023418, Suzuki).

Independent Claim 18 has been amended to recite a product manufacturing man-hour-estimating apparatus to more closely parallel the disclosure related to FIG. 1 as to the cooperation between elements 17-19 and “man-hour estimating section 12.”

Turning to the outstanding rejection of Claims 18 and 20 under the second paragraph of 35 U.S.C. § 112, it is noted that the PTO reviewing court precedent establishes that the recitation of a programmed machine is a recitation of structure. There is nothing in the second paragraph of 35 U.S.C. § 112 that would limit apparatus claims to the recitation of

just hardware. See, for example, *In re Bernhart*, 417 F.2d 1395, 1400, 163 USPQ 611; 616 (CCPA 1969) that notes:

. . . . if a machine is programmed in a certain new and unobvious way, it is physically different from the machine without that program; its memory elements are differently arranged. The fact that these physical changes are invisible to the eye should not tempt us to conclude that the machine has not been changed. (Emphasis added).

Furthermore, a rejection based on the second paragraph of 35 U.S.C. § 112, requires an analysis of the claimed elements in light of the disclosure, not in a vacuum. The disclosure at FIG. 1 and at page 9, line 8-page 11, line 9 of the specification, leave no doubt of the make-up of CAD 1.

In addition, Claims 18 and 20 now directly relate to a product manufacturing man-hour estimating apparatus instead of the previously recited product manufacturing cost-estimation apparatus. The operation of this apparatus as a programmed machine is clear from the specification, note the disclosure at page 14, line 2-page 16, line 19 as well as the description at page 17, line 15-page 19, line 17, and page 21, line 17-page 24, line 27.

Accordingly, the rejection of Claims 18 and 20 under the second paragraph of 35 U.S.C. § 112 is traversed.

Turning to the rejection of Claims 18 and 20 under 35 U.S.C. § 101 as allegedly being directed to non-statutory subject matter, it is again noted that the subject matter there of is clearly a “machine.” As noted at page 2100-14 of MPEP § 2106 (IV)(B)(2)(a), “[a] *machine* is ‘a concrete thing, consisting of parts or of certain devices and combinations of devices.’” (Emphasis in original, citation omitted). As further noted in this section, “[i]f a claim defines a useful machine or manufacture by identifying the physical structure of the machine or

manufacture in terms of its hardware or hardware and software combination, it defines a statutory product" (emphasis added).

The above noted Bernhart decision leaves no doubt that the recitation of a programmed machine is a recitation of both structure and a "machine." As noted in the last response, the subject matter of Claims 18 and 20 is directed to subject matter defining a useful machine by identifying the physical structure thereof. See MPEP § 2106 (IV)(B)(2)(a), at 2100-15 as follows:

A claim limited to a machine or manufacture, which has a practical application in the technological arts, is statutory. In most cases, a claim to a specific machine or manufacture will have a practical application in the technological arts. See *Alappat*, 33 F.3d at 1544, 31 USPQ2d at 1557 ("the claimed invention as a whole is directed to a combination of interrelated elements which combine to form a machine for converting discrete waveform data samples into anti-aliased pixel illumination intensity data to be displayed on a display means. This is not a disembodied mathematical concept which may be characterized as an 'abstract idea,' but rather a specific machine to produce a useful, concrete, and tangible result."); and *State Street*, 149 F.3d at 1373, 47 USPQ2d at 1601 ("the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula, or calculation, because it produces 'a useful, concrete and tangible result' - a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades."). Also see *AT&T*, 172 F.3d at 1358, 50 USPQ2d at 1452 (Claims drawn to a long-distance telephone billing process containing mathematical algorithms were held patentable subject matter because the process used the algorithm to produce a useful, concrete, tangible result without preempting other uses of the mathematical principle.).

Note *In re Lowry*, 32 USPQ2d 1031 (Fed. Cir. 1994) that further clearly considers data stored in memory to be subject matter permitted under 35 U.S.C. § 101 .

Consequently, for all the above-noted reasons, the rejection of Claims 18 and 20 under 35 U.S.C. § 101 as allegedly being directed to non-statutory subject matter is traversed.

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The rejection of Claims 18 and 20 under 35 U.S.C. § 102(b) as being anticipated by Suzuki is also traversed because Suzuki is not relevant to the subject matter of these claims.

Under Claims 18 and 20, the concern is the calculation of "man-hours," not simply cost estimation for manufacturing parts. The manner that this man-hour estimation must be accomplished is set forth by Claims 18 and 20 in details that are not remotely suggested by the cost estimation of Suzuki.

As no other issues are believed to remain outstanding, the present application is believed to be in condition for formal allowance. An early and favorable action to that effect is respectfully requested.

Respectfully submitted,

OBLON, SPIVAK, McCLELLAND,
MAIER & NEUSTADT, P.C.



Eckhard H. Kuesters
Attorney of Record
Registration No. 28,870

Raymond F. Cardillo, Jr.
Registration No. 40,440

Customer Number
22850

Tel: (703) 413-3000
Fax: (703) 413-2220
(OSMMN 06/04)

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